

The Executive: Record of Decision and Minutes

18:00- 19:50

PRESENT:

Executive Councillors:

The Leader: Ian Nimmo-Smith (Chair)
Environmental and Waste Services: Sian Reid
Arts & Recreation: Julie Smith
Community Development & Health: Clare Blair
Environmental & Waste Services: Mike Pitt
Housing: Catherine Smart

Councillors in attendance:

Councillors Herbert and Howell.

Note – the Executive meeting was open to any member of the Council who wished to ask questions on the Executive's Budget Strategy.

10/EX/01 Minutes

The minutes of the meeting held on 14 September 2009 were signed as a correct record.

10/EX/02 Apologies for Absence

Apologies were received from Councillor Rod Cantrill.

10/EX/03 Public Questions

None

10/EX/04 Draft Revenue and Capital Budgets – Revised 2009/10, Proposed 2010/11, 2011/12 Forecast

The Director of Finance introduced the item. Members were informed that, as this year's Medium Term Strategy (MTS) did not include priority funding options, the Budget Setting Report (BSR) remained largely unchanged from the version presented to the Strategy and Resources Scrutiny Committee on 18 January 2010.

However, the Director of Finance informed members that following a review of the minutes of the Community Services committee held on 14 January 2010, a clerical error had been identified which resulted in a wrong appendix being included in the Finance Report for the Community Development & Health portfolio.

The entries shown on the 2010/11 Fees and Charges Appendix B, in respect of Bereavement Services, related to a previous year and were thus incorrect. The 2010/11 Budget had been prepared using the figures shown on this latest schedule and there were therefore no budgetary implications resulting from this change. A copy of the correct appendix was circulated to members.

An email was sent on 25 January 2010 informing the Executive Councillor and members of the Community Services Scrutiny Committee of the error.

As a result of the Council receiving SECTOR's updated 'Guide to Establishing Credit Policies' (December 2009), minor amendments were also required to Appendix U (page: 240) and Appendix V (page: 245) of the BSR.

Following discussions with The Leader and the Executive Councillor for Customer Services and Resources, it is proposal to amend the Counterparty List (Appendix V) to include UK subsidiaries of foreign institutions, where the parent company also meets the Council's lending criteria and resides in a country with a sovereign credit rating of AAA.

Copies of these suggested amendments were circulated to members.

It was noted that these amendments would be included in the version of the BSR presented to Full Council on 25 February 2010.

The Director of Finance also informed members that additional funding for concessionary fares, totaling £1.31million, had been confirmed in the Grant Report. This Council had taken the decision not to recommend spending against this figure, but this would be looked at again in September 2011. Wider consultation regarding the allocation for 2011/12 was ongoing.

In conclusion, the Director of Finance felt that the BSR represented a reasonable and balanced response to the current position of the Council. As a result of this meeting, the Section 25 Report would be produced for the Full Council meeting on 25 February 2010.

The Leader stated that whilst the BSR had achieved its objectives, members were reminded that this was the first year of a very challenging 3-year period. The Council would have to manage its services with lower levels of resource, and processes had been put in place to achieve further savings over 2010/11 and 2011/12.

The news of the £1.31million for concessionary fares was very welcome and members expressed their thanks to the Director of Finance and the Director of Environment and Planning for their hard work on this issue. However there still remained a £0.6m shortfall in government grant, which was being borne by Cambridge Council Tax payers.

At the request of members, the Director of Finance agreed to circulate a table calculating the position of the £1.31million and showing the overall shortfall on concessionary fares over previous years.

Councillors Herbert and Howell made the following points in debate on the Executive's budget strategy:

- The need for the City and County Council to negotiate an improved deal with Stagecoach regarding the concessionary fares reimbursement rate.
- It seemed that this year's budget had been underpinned as a result of unexpected incomes such as the £2.6 million VAT refund.
- The proposed repayment of the Icelandic investments and the Council's position on the 'Preferential Creditors' list was still of concern.
- The potential impact on youth services and community legal advice services as a result of cuts to the Community Development Grants.
- The need for ongoing scrutiny of central overhead charging, service reviews, reducing overheads and base budgets.
- The need to improve partnership working with the County Council regarding gritting and snow issues.
- The need to improve delivery of the Environmental Improvements Programme for 2010/11.
- The need to identify risks in achieving the predicted increases for car park and tourism services.

The Director of Finance, the Leader, the Executive Councillor for Community Development and Health, the Executive Councillor for Environmental Services and the Executive Councillor for Climate Change and Growth responded to these various points.

The Leader agreed to send a memorandum regarding funding to the Cambridge Citizens Advice Bureau to Councillors Herbert and Howell.

Record of Decision

The Executive agreed to recommend to Council:

Revenue Budgets and Cash Limits: *[Part B, page 25 refers]* Budget 2009/10:

a) to approve, the overall revised budget for 2009/10, as shown in Section 3 (*page 27*) and Appendix Y (*page 256*) for General Fund Services.

Budget 2010/11:

b) to agree the position regarding PPF funding as outlined in Section 10 (*page 63*).

c) to recommend to Council the Council Tax base, as set out in Appendix H (*page 166*), and the level of Council Tax for 2010/11, based on a 99% collection rate [*Section 8, page 53 refers*].

d) to recommend to Council to approve:

(i) the Prudential Indicators as set out in Appendix L, Annex 1 (*page 187*) and to note that the "Authorised Limit" determined for 2010/11 will be the statutory limit determined under section 3 of the Local Government Act 2003 [*Section 14, page 87 refers*].

(ii) to delegate to the Director of Finance, within the borrowing totals for any financial year within (i) above, to effect movement between the separately agreed figures for 'borrowing' and 'other long term liabilities'.

(iii) the Treasury Management and Annual Investment Strategy set out in the amended Appendix U (*page 232*).

(iv) amendments to the Council's Approved Lending List, shown in the amended Appendix V (*page 245*)

e) to delegate to the Director of Finance authority to finalise changes relating to the reallocation of support service and central costs in accordance with the CIPFA Best Value Accounting Code of Practice *[para 6.53, page 49 refers]*.

Capital: *[Part D, page 75 refers]*

Capital Plan: *[section 13, page 81]*

f) to approve the following project appraisals, which have been referred by Executive Councillors:

From the Executive Councillor for Customer Services and Resources:

(i) Corporate Fixed Line Telecommunications: to approve the procurement of Corporate Fixed Line Telecommunications and subsequent award of a contract for a two-year term. The indicative potential financial implications are outlined within the project appraisal for Corporate Fixed Line Telecommunications. *[Appendix K on the separate report on this agenda covering the Customer Services & Resources Portfolio, refers]*.

From the Executive Councillor for Climate Change and Growth:

- (i) Riverside Cycle Conflict Reduction & Environmental Improvement Scheme
- (ii) Fitzroy/Burleigh Street Environmental Improvement Scheme
- (iii) Deployment of Large/2nd Computer Monitors
- (iv) Holy Trinity Church War Memorial refurbishment

g) From the Executive Councillor for Climate Change & Growth:

- (i) to agree the transfer of the Sustainable City Capital Programme (PR004) to the Sustainable City Grants revenue budget in 2009/10 and 2010/11 only.
- (ii) to agree to amend the funding for the approved capital project SC421 E&P Server Replacements, so £37,000 is funded from Housing Planning Delivery Grant (HPDG) in place of the existing Repairs and Renewals (R&R) funding.

h) From the Executive Councillor for Housing:

(i) to approve the use, in 2009/10 and 2010/11, of £290,000 Section 106 resources identified for investment in affordable housing, to meet the required local contribution, towards the cost of delivering 7 new affordable dwellings to be managed in the HRA, with the balance of funding to be met through Homes and Communities Agency grant and an element of prudential borrowing.

(ii) to approve the removal of funding for the discretionary void element of the decent homes kitchen replacement programme, resulting in the ability to only undertake replacement of kitchens where this is required to make the property decent.

(iii) To approve a Housing Capital Allowance for 2010/11 of £14,912,000.

i) to agree the Capital Plan incorporating rephasing, new bids and the above recommendations, as shown in Appendix N (*page 193*) for the General Fund and Appendix O (*page 203*) for the HRA.

j) to note the impact of revenue and capital budget approvals and approve the resulting level of reserves to be used to:

(i) To support the 2009/10 budget

(ii) To support the 2010/11 and future years budgets. [*Section 16 (page 93) refers*]

Other:

k) From the Executive Councillor for Arts & Recreation:

to approve the delegation of authority to the Director of Community Services to approve charges for new services and use of facilities that may arise from time to time.

l) From the Executive Councillor for Community Development & Health:

to approve the delegation of authority to the Director of Community Services to approve fees charges for the Bereavement Services Memorials Project, which will be completed during 2010/11.